

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

AUG 16 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of

Billed Party Preference for
InterLATA 0+ Calls

CC Docket No. 92-77

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REPLY COMMENTS OF BELL ATLANTIC, BELLSOUTH AND NYNEX

The comments filed in response to the Commission's latest Notice in this proceeding¹ reveal little support for mandatory price announcements on all 0+ calls. None of the proposal's few supporters make any attempt to compare the costs and the benefits of announcements on all calls; in fact, they provide no estimates at all of the costs of disclosure. Two supporters, California and ACTA, simply assert that the costs are minimal, but offer no backup for this plainly incorrect claim.² NAAG offers its theory that universal price announcements would be competitively helpful to the reasonably priced providers; however, it appears that none of those carriers accept NAAG's theory, as they all oppose the requirement.

Even though the current proposal extends only to interLATA calls, Bell Atlantic has obtained estimates from its suppliers of the costs of providing price disclosure on its 0+ calls. This information indicates that it would cost Bell Atlantic more than \$20 million in the first year and almost \$5 million annually thereafter to comply with a requirement to provide a price quote announcement of the initial period charge and duration and subsequent minute charge and duration to the billed party

¹ Second Further Notice of Proposed Rulemaking (rel. June 6, 1996) ("Notice").

² California at 3 ("little, if any, cost"); ACTA at 7 ("minimal cost").

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before completing a call. Based on discussions with its suppliers, NYNEX would expect to have similar costs. Because it has more operator switches in its network, BellSouth believes that its costs would be even greater than Bell Atlantic's. Multiplying these figures by the number of OSPs that provide interLATA service produces a cost that is anything but "minimal" and that plainly outweighs any consumer benefit.

As we showed in our comments, requiring price announcements on all calls would do little to solve the problem identified by the Commission for several reasons. Most important, callers, especially those away from their home area, are likely to have little idea what a particular long distance call "should" cost. If there are announcements on every call, they will not serve as a red flag to callers, to alert them that they are about to incur higher than normal charges. Moreover, universal announcements will quickly lose whatever effectiveness they might have, as callers become, first, inured to and then annoyed by the routine message. The Commission should not adopt such an ineffective measure, especially one with such a hefty price tag.

A majority of the commentors support some sort of benchmark/announcement plan, although there is disagreement on many of the details. We continue to believe that a better solution is the rate ceiling plan we proposed last year as part of the Industry Coalition. It will prevent carriers from charging unreasonable rates and will be relatively easy for the Commission to enforce. We agree with Sprint that the Commission's benchmark/announcement plan will work "only if it is vigorously enforced, and violators are swiftly and severely punished"³ and that "without the realistic threat of effective enforcement [the Commission's proposal] will, in the long run, do nothing to

³

Sprint at 4-5.

protect the public.”⁴ We remain hopeful that the Commission will be able to meet this high standard if it adopts this plan.

Two points related to the use of announcements require a response. Sprint asks the Commission to “clarify” that its benchmark/announcement proposal is limited to presubscribed calls from aggregator locations,⁵ a limitation that is not to be found in the Commission’s Notice. While there might be some logic to this limitation, it is not practical and would not significantly decrease the cost of providing announcements. This is because OSPs cannot distinguish aggregator locations from other locations and cannot tell if the call was dialed on a presubscribed basis or with an access code.⁶

Second, APCC wants to place additional burdens on exchange carriers. It urges the Commission to require both OSP announcements *and* exchange carrier bill screening.⁷ If the Commission believes that announcements will work, then there is no need for bill screening. If the Commission does not believe they will work, then it should not require them. While we did support a form of bill screening as part of the Industry Coalition price ceiling proposal, that plan would have allowed exchange carriers to screen a sample of messages, and would not have required screening every message as APCC suggests. Moreover, the Commission proposes a more complicated rate

⁴ Sprint at 5.

⁵ Sprint at 5-6.

⁶ AT&T agrees that it cannot tell if a call is dialed with an access code. AT&T at 5.

⁷ APCC at 10.

schedule than the one we advanced,⁸ which would make bill screening much more difficult and costly for exchange carriers.⁹

Finally, we are pleased that the comments are virtually unanimous in their conclusion that technology and the market have overtaken billed party preference. Even Southwestern Bell, perhaps BPP's most ardent supporter, has concluded that "the time for BPP has come and gone and the issue should now be closed."¹⁰ There is no factual support in the comments for the Commission's suggestion that number portability will put BPP back in the running again,¹¹ even from those who continue to support BPP as a long range option.¹² We urge the Commission to close its investigation of BPP.

Respectfully submitted,

BELL ATLANTIC TELEPHONE COMPANIES
BELLSOUTH CORPORATION
NYNEX TELEPHONE COMPANIES


by John M. Goodman

⁸ GTE also supports the simplicity of the Industry Coalition's price schedule. GTE at 4.

⁹ APCC would also have the exchange carrier provide the Commission with a list of the phones presubscribed to a carrier that has been identified with billings in excess of the benchmark. The only problem with this idea is that exchange carriers do not maintain such lists, and such information changes on a daily basis.

¹⁰ Southwestern Bell at 2.

¹¹ U S WEST has demonstrated in detail why BPP cannot "piggyback" on number portability. U S WEST at 12-14.

¹² Ameritech at 2 n.2 (number portability "is not likely to lessen the incremental cost of BPP").

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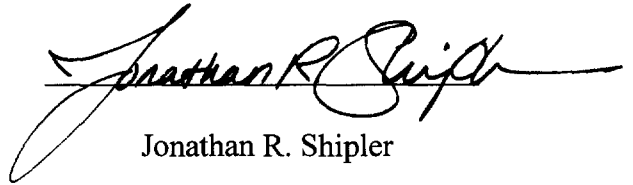
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Dated: August 16, 1996

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of August, 1996 a copy of the foregoing "Reply Comments of Bell Atlantic, BellSouth and NYNEX" was sent by first class mail, postage prepaid, to the parties on the attached list.

A handwritten signature in cursive script, reading "Jonathan R. Shipler", written over a horizontal line.

Jonathan R. Shipler

* By Hand

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